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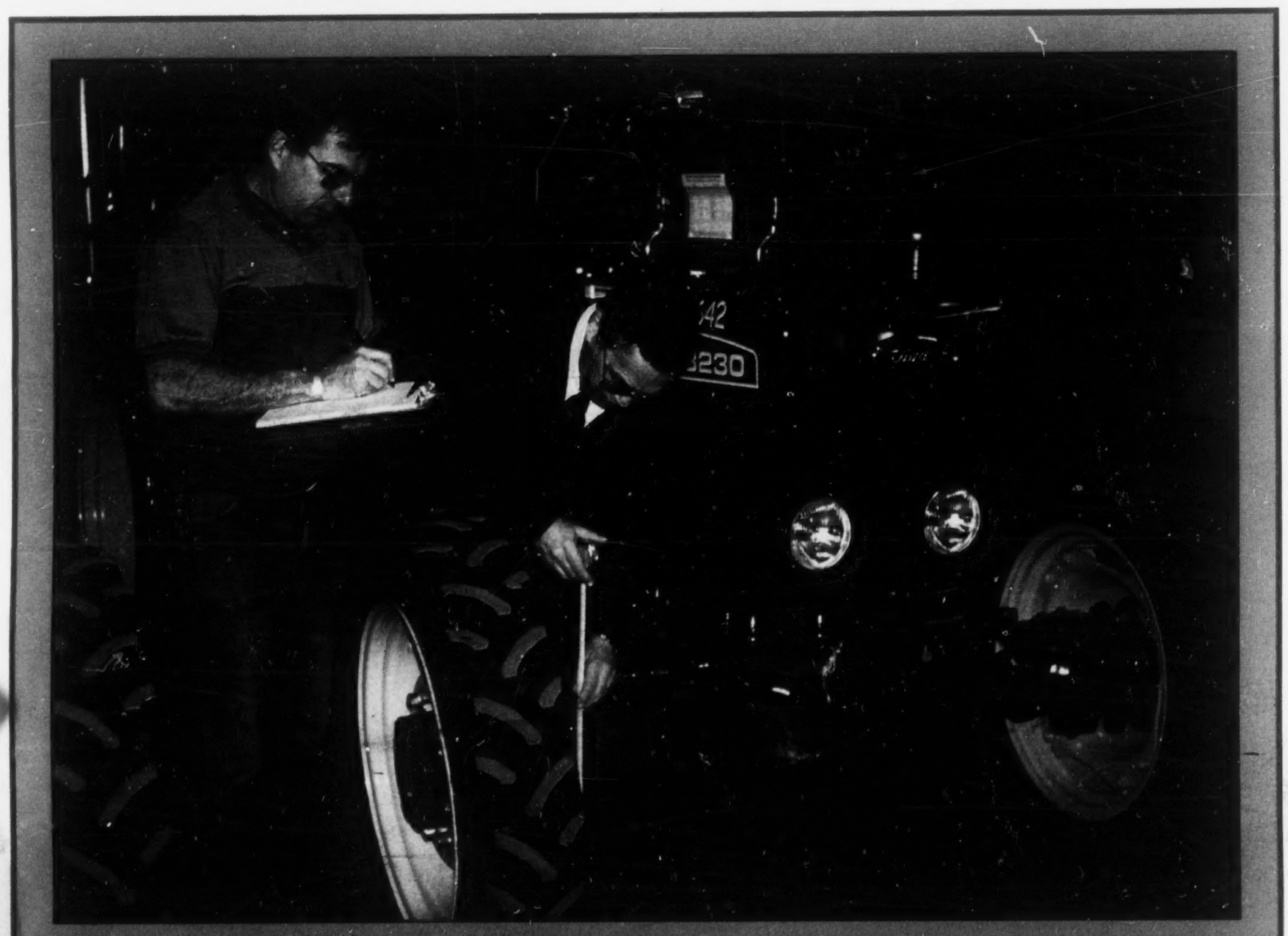
Plowing Ahead In Ireland

IMPLEMENT & TRACTOR

The Business Magazine of the Agricultural, Industrial & Outdoor Power Equipment Industry

VOLUME 106, NO. 10

NOVEMBER/DECEMBER 1991



LOUIS LEVITICUS, right, supervisor of the Nebraska Tractor Testing Laboratory and the Center for Engine Technology, records data for testing a British-made Ford tractor with his assistant Dave Morgan.

New Role For Nebraska Lab

By GARY BURCHFIELD

LONG A fixture in the farm machinery business, the University of Nebraska Tractor Testing Laboratory no longer exists.

In its place is a new organization, the Nebraska Power Laboratory. It uses the same facilities on the east campus in Lincoln, but it has a new mission to go with the new name.

The changes came about because some 90 percent of tractor models sold in the United States are now built abroad.

Not many years ago, Nebraska Tractor Test reports were "the only game in town." Practically every tractor model sold in the nation went through the lab, and the results were accepted around the globe.

But with the expanding scope of international trade and the changes

(See LAB, pg. 23)

LITTLE CHANGE

FEMA Forecasts Flat Sales In '92

By CAL PIGG

SHORT LINE farm equipment manufacturers are looking at a no-change sales year in 1992, according to survey results issued during the 41st annual Farm Equipment Manufacturers Association (FEMA) fall convention in Dallas.

Association Executive Vice President Robert Schnell of St. Louis made the prediction during the officer's and editor's breakfast based on a survey of 300 FEMA members.

Sales for calendar year '91 are down 2 percent from 1990 levels and "we don't see anything happening next year to alter the rather unhappy situation," Schnell said. "So, we're forecasting basically a flat year for 1992."

His survey found that manufacturing capacity had dropped to 65 percent in 1991. That compared to 75 percent for 1990 as a whole.

Specifically, in the third quarter '91, all product sales were off 1 percent and ~~orders~~ *were* down by 15 percent compared to year-ago levels, according to the survey findings. "But there are signs that manufacturers have kept their inventories well in line with customer demand," Schnell said. Dockside product inventories stood at the same level as 12 months earlier and have not risen.

He said manufacturer's receivables had risen to 8 percent from 5 percent of their total sales volumes, for the

(See FLAT, pg. 16)

IMPLEMENT & T
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54th Annual Statistics Issue

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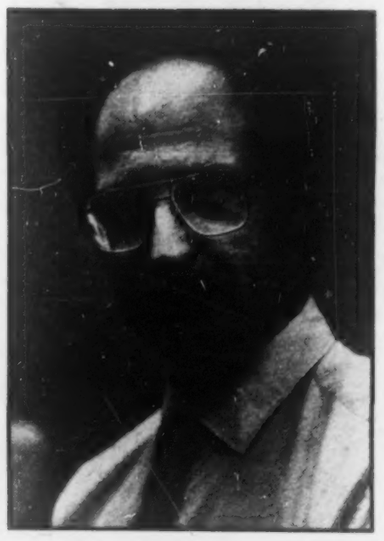
EDITOR'S NOTEBOOK

Who Could Have Imagined The Changes?



By SCOTT NESBITT

IF SOMEONE had laid out the plot line at this time last year, they'd have been sent for serious long-term therapy on the brain.

The year's events in the farm and industrial machinery business read like a "twist on a twist" dream sequence from a TV soap opera, but this time the convoluted changes were for real. Here's a summary of the year's major developments.

Ford New Holland comes under new ownership in the form of N.H. Geotech, a holding company owned 80 percent by Fiat Group of Italy and 20 percent by Ford Motor Co. Geotech controls both the FNH and the Fiatagri farm and construction equipment lines around the world. FoMoCo provides some financing for equipment sales, but Fiat is in charge of operations. Geotech gets to use the blue-and-white Ford oval insignia until 1995, and can use the name Ford in block letters until 2001.

The new operation seeks "synergies" between the Ford and Fiat, but there is no immediate cross-introduction of products or services to dealers. In mid-November, FNH introduces a new tractor line. It turns out to be an actual Ford development, not a Fiat wearing blue paint.

Case-IH gets new leadership. Bob Carlson, former upper-level Deere exec, takes the helm at Case-IH after Jim Ashford quits. Tenneco's undisputed ruler, Jim Ketelsen, who was once the boss as Case, is deposed by the board of directors and replaced by a railroad man. But Michael Walsh, hired away from the Union Pacific, is not a total outsider, having spent time as a Cummins Engine executive.

Large financial losses mar Case IH, the largest single unit within Tenneco. Competitors accuse the company of wild discounting as the sales slump stretched through the year in Europe and North America in both farm and construction equipment. Shortly before the leadership changes, Case undergoes a major internal shuffling that creates four major units. Some say it makes each unit easier to sell.

As a curious side-plot, Irv Aull shows up. He was the boss of International Harvester not long before it's ag business was gobbled up by Case in the dim past of the mid-'80s. Aull becomes the new chief executive for North America for Ransomes, Inc., the big British lawn mower company that owned Bob-Cat and recently took over Cushman, Ryan, Brouwer Turf and Steiner.

Allied Products Corp. lets go of the White tractor line during a period of financial stress, but remains an ag machinery player, keeping the New Idea line, the White planting and tillage line, Bush Hog, Kewanee and other divisions.

Allis-Gleaner Corp. goes on an expansion binge. It takes over the White tractor line, and moves production into the Gleaner combine plant in Independence, Mo.

AGCO absorbs Fiat's half of the Hesston, Kan., plant that makes hay tools for the Hesston brand name and under the label of Case-IH, (the other half-partner in the venture.) U.S. regulators made Fiatagri sell its share before it could buy FNH, to avoid excess concentration in the hay industry. AGCO gets to help build the products and peddle the Hesston name in the United States, but Fiat Group retains use of the Hesston name (but not the U.S.-built product) in Europe.

AGCO forms an alliance with Italy's second-largest tractor builder and introduces an orange-painted tractor line carrying the name AGCO-Allis. The machines are built by SLH (SAME-Lamborghini-Hurlimann) and are virtually identical to SAME models already being sold in North America.

The new AGCO-Allis orange tractors, from 40 to 130 pto hp, have direct air cooling and compete with the green-painted Deutz-Allis tractors (51 to 120 pto hp, air-cooled) that AGCO buys from Klockner-Humboldt-Deutz of Germany, the former owner of the Deutz-Allis operation in North America.

AGCO goes into further competition with itself by handling the silver-painted White tractor line (4 water-cooled models from 125 to 195 pto hp, and 2 of 61 and 81 pto hp), while continuing to handle air-cooled tractors (135 to 193 pto hp) that are built on the White chassis to AGCO specifications and painted orange.

AGCO, after less than 18 months in existence, now handles a huge array of tractors under three different brand names, plus one of the larger hay tool lines. AGCO has sales outlets in 2,000 dealerships, and gets a ready-made base among customers who own some of the predecessor lines of its products: Allis-Chalmers, Deutz, Minneapolis-Moline, Cockshutt, Oliver and Baldwin and a bewildering variety of farm machines, powered and non-powered.

While AGCO seems to be seeking salvation through consolidation, Massey-Ferguson made it quietly through the year, by comparison. Its parent, Varity Corp., stirred up a few political waves north of the border by moving the world headquarters from Toronto, Canada, down to Buffalo, N.Y. And the company makes some sales of the former White axial combine it acquired in the not-too-distant past.

Even John Deere, which seems to roll on placidly toward dominance of the U.S. agricultural machinery market, undergoes some changes. A corporate shuffling melds the consumer and commercial lawn-and-garden lines into a new division, recognizing the increasing importance of the little stuff to the long green line. After settling a new agreement with the United Auto Workers union, Deere & Co. decides to phase out a foundry in East Moline and enters a new international deal that may spell big new things for the next season.

Stay tuned. It may be even more exciting in the coming season! □

I&T 54TH ANNUAL MARKET STATISTICS

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Commercial and Consumer Lawn & Garden Equipment Quantity and Dollar Value, 1986-1990

(Value in thousands of dollars)

	1990		1989		1988		1987		1986	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Commercial turf & grounds equip. (Including parts & attachments) (TOTAL)	—	**705,864**	—	**626,517**	—	**595,044**	—	**465,635**	—	**412,836**
Commercial mowing equipment (TOTAL)	—	**566,133**	—	**496,797**	—	**473,509**	—	**390,041**	—	**347,482**
Powered nonriding mowers	48,697	63,044	47,777	54,458	52,359	57,323	44,801	41,207	59,303	44,283
Reel mowers, riding & greens	17,063	133,306	13,266	116,204	11,176	86,887	10,593	71,712	7,004	44,767
Riding rotary turf mowers	30,212	160,125	30,131	157,875	32,466	160,449	31,458	141,644	30,102	123,975
Gang mower sections, reel & rotary	NA	NA	38,993	45,251	37,957	42,460	35,913	39,539	34,327	35,208
Flail mower units, incl. gang	2,818	8,750	3,223	8,426	3,327	9,450	3,302	7,038	3,332	7,550
Other mowing equipment	NA	NA	10,275	10,797	5,290	5,750	6,446	6,684	8,228	7,377
Comm. mower parts & attachments	—	122,745	—	103,786	—	111,190	—	82,217	—	84,322
Other comm. turf & grounds equip.	—	139,731	—	129,720	—	121,535	—	75,594	—	65,354
Tractors, trucks, sod equip. irrig. equip., seeders, spreaders	NA	68,410	296,245	64,970	338,466	56,711	12,169	31,602	13,009	33,046
Aerators, spikers and pluggers	10,087	24,149	9,029	17,903	9,976	20,823	7,628	15,649	6,290	9,931
Dethatchers	2,566	5,130	9,820	6,782	10,257	6,197	4,562	2,651	2,561	1,324
Power brooms, blowers, vacuums, sweepers	10,904	16,989	11,637	16,862	14,257	15,542	10,285	13,554	9,630	12,929
Non-mowing equip. parts and attachments	—	25,053	—	23,203	—	22,202	—	12,138	—	8,124
Consumer lawn & garden equip. (TOTAL)	—	**3,250,248**	—	**3,744,242**	—	**3,936,959**	—	**3,853,665**	—	**3,385,840**
Consumer nonriding l & g, snow equip.	15,189,399	1,598,528	15,671,980	1,746,793	16,018,765	1,771,012	16,129,251	1,777,291	14,100,587	1,581,431
Mowers, reel, push & powered	NA	9,004	28,467	10,675	41,804	17,648	32,537	9,953	73,975	26,305
Mowers, rotary, push	3,861,286	556,792	3,986,630	536,075	3,852,716	524,698	4,115,380	553,670	3,523,116	481,916
Mowers, rotary, self-prop. & all elec.	1,581,322	300,910	1,737,296	412,323	1,961,681	418,579	2,051,026	497,511	1,754,663	374,969
Rotary tillers, 2-wheel tractors	403,366	162,660	389,563	150,651	345,232	138,716	318,758	135,298	324,185	144,310
Snow throwers, single stage	147,646	41,565	170,314	45,610	199,829	52,568	359,343	104,288	336,603	75,227
Snow throwers, dual stage	76,963	43,702	107,632	64,226	186,763	107,630	212,852	101,279	201,826	107,829
Edgers, trimmers, power, fixed blade	101,749	18,501	436,640	34,713	507,764	44,474	528,561	46,011	468,642	43,411
Edgers, trimmers, power, elec. & other	NA	50,273	4,454,917	245,100	4,426,293	221,235	4,411,536	162,625	4,422,903	170,427
Shredders, shredder-grinders	108,556	40,487	76,776	29,374	72,330	26,425	59,545	19,567	67,211	26,048
Yard vacuums & blowers	1,672,609	106,792	1,575,019	97,655	1,393,710	91,147	939,451	56,863	877,004	50,012
Lawn sweepers (non-attached type)	NA	NA	36,114	5,170	44,821	6,022	52,403	5,935	74,468	8,960
Other nonriding l & g, snow equip.	2,196,780	103,772	2,672,612	115,221	2,985,822	121,870	3,048,129	84,291	1,975,991	72,017
Consumer riding l & g, snow equip.	1,372,760	1,651,720	1,183,387	1,392,504	1,235,608	1,511,984	1,257,788	1,505,611	1,058,636	1,255,382
Lawn tractors, riders, front engine	977,956	998,429	817,568	853,542	734,227	765,387	738,679	809,273	621,919	677,300
Lawn tractors, riders, rear engine*	264,179	280,013	271,622	275,421	364,047	344,703	399,730	381,223	307,662	266,528
Garden tractors and other riding equip.*	107,412	372,918	94,197	263,541	137,334	401,894	119,379	315,115	129,055	311,824
Nonriding parts & attachments	—	293,833	—	229,533	—	222,851	—	150,907	—	161,779
Riding equip. parts & attachments	—	404,894	—	375,412	—	431,112	—	419,856	—	387,248

SOURCE: U.S. Dept. of Commerce Census Bureau Industrial Report MA35A(90)-1, "Farm Machinery and Garden Equipment," issued November 26,1991, and previous years' MA35A reports. In some categories, I&T has combined data to save space.
*Does not include all units because of non-disclosure of some sub-categories.

Imports of Farm Equipment by Product, 1988-1991

Product	Jan.-Dec. 1988 Quantity	Jan.-Dec. 1988 Value in Thousands of Dollars	Jan.-Dec. 1989 Quantity	Jan.-Dec. 1989 Value in Thousands of Dollars	Jan.-Dec. 1990 Quantity	Jan.-Dec. 1990 Value in Thousands of Dollars	Jan.-June 1991 Quantity	Jan.-June 1991 Value in Thousands of Dollars
Knives & Cutting Blades	8,293,169	$ 10,156	9,269,758	$ 12,943	9,806,140	$ 24,715	4,682,162	$ 6,366
Plows & Listers	2,482	8,429	8,484	18,059	25,829	31,442	25,237	9,789
Cultivators & Weeders	56,922	32,044	31,449	51,788	49,998	62,306	14,973	21,137
Parts of Plows	—	41,256	—	29,713	—	24,945	—	8,957
Harrows, Rollers, Stalk Cutters, Soil Pulverizers	33,147	27,020	39,455	29,543	42,251	69,082	19,752	18,983
Parts of Harrows, Scarifiers, Cultivators, Weeders & Shoes	—	31,567	—	64,311	—	58,702	—	31,975
Planting, Seeding & Fertilizing Machinery	44,900	28,168	75,907	42,547	100,008	57,371	34,234	19,022
Parts of Planting, Seeding & Fertilizing Machinery	—	11,130	—	16,390	—	16,827	—	8,863
Haying Machinery other than Mowers	8,271	10,561	10,604	10,671	13,074	13,927	7,527	10,231
Mowers except Lawn Mowers	36,236	46,867	33,020	49,795	39,313	77,332	22,641	40,377
Harvesting Machines, NEC	8,624	55,789	8,245	56,337	5,484	70,517	5,406	32,515
Parts of Harvesting Machines	—	82,905	—	89,079	—	94,778	—	38,479
Farm Wagons & Carts	4,839	6,828	15,195	6,138	4,394	4,361	4,269	1,457
Agricultural Machines & Implements, NEC	—	184,730	—	192,247	—	101,973	—	48,401
Parts of Agricultural Machines	—	151,677	—	123,479	—	83,977	—	33,304
Tractors, Agricultural, Wheel-Type New, excluding Industrial*	101,922	1,056,533	96,466	1,122,068	103,477	1,211,914	85,030	553,915
Parts for Agri. Tractors	—	384,454	—	255,603	—	338,047	—	145,052
Walk-Behind Rotary Tillers	16,431	6,068	39,126	6,381	14,639	4,619	4,179	12,918

Source: U.S. Department of Commerce, International Trade Administration, Office of Capital Goods and International Construction. *Use of the term "industrial" here is understood to refer to such machines as forklifts but not to industrial tractors as commonly defined.
NEC — Not Elsewhere Counted.

Value of Shipments, 1985-1990
Farm Tractors, Farm Machinery And Garden Equipment Including Parts, Attachments

(In Thousands of Dollars)

Type of product	1990	1989	1988	1987	1986	1985
Wheel tractors farm type	**NA***	**NA***	**NA***	**958,597**	**893,432**	**1,154,527**
Planting, seeding and fertilizing machinery	573,081	632,247	508,566	409,082	371,210	453,250
Harrows, rollers, pulverizers, stalk cutters	192,413	206,283	136,923	99,918	99,238	166,014
Plows	117,140	136,770	117,725	74,643	75,310	110,984
Harvesting machinery	2,002,034	1,860,432	1,422,751	1,282,315	1,230,124	1,190,831
Haying machinery	727,744	732,250	574,587	433,671	383,434	498,116
Farm dairy machines and equipment	88,232	110,050	95,492	76,584	77,131	92,308
Sprayers and dusters	270,287	302,022	274,994	214,484	212,566	244,412
Farm elevators and blowers	60,510	59,358	64,342	73,648	82,049	66,877
Cultivators and weeders	178,890	202,037	154,471	104,619	81,103	139,985
Machines for preparing crops for market or use	214,968	208,641	193,275	208,189	203,657	193,727
Farm poultry equipment	178,224	157,762	144,149	116,763	93,420	109,000
Hog equipment	73,904	64,718	75,717	66,415	41,964	35,938
Other barn and barnyard equipment	169,502	215,582	214,133	164,142	129,146	156,768
Stalk shredders and cutters or rotary mowers	152,121	192,460	197,576	161,462	112,073	120,581
Farm wagons, other farm transportation equipment	2,324,046	2,207,172	1,725,202	149,217	109,291	105,480
Irrigation systems	304,195	377,790	298,307	215,689	160,417	186,654
Total farm machinery	**NA**	**NA**	**NA**	**5,324,025**	**4,355,565**	**5,402,166**
Total agricultural equipment	**9,531,487**	**8,297,091**	**6,793,254**	**6,282,621**	**5,248,997**	**6,556,693**
Commercial turf, mowing equipment	566,133	496,797	473,509	416,240	347,482	316,566
Other turf, grounds care equipment	139,731	129,720	121,535	98,346	65,354	59,148
Total commercial grounds equipment	**705,864**	**626,517**	**595,044**	**514,586**	**412,836**	**376,704**
Consumer nonriding lawn, garden, snow equipment	1,598,528	1,976,326	1,993,863	1,911,663	1,743,210	1,688,642
Consumer riding lawn, garden, snow equipment	1,651,720	1,767,916	1,943,096	2,068,286	1,642,630	1,466,472
Total lawn & garden equipment	**3,250,248**	**3,744,242**	**3,936,959**	**3,979,949**	**3,385,840**	**3,155,114**
Total farm tractors, farm machinery, commercial and consumer equipment	**13,487,599**	**12,036,333**	**10,730,213**	**9,303,973**	**9,047,653**	**10,088,611**

*Tractors included with "Farm Wagons, other farm transportation equipment" for 1988 and 1989.
SOURCE: U.S. Department of Commerce Census Bureau Current Industrial Report MA35A-(89)-1, "Farm Machinery and Garden Equipment," issued October 1990, and previous years' MA35A reports.